

Social Questions

BULLETIN

of the Methodist Federation for Social Service (unofficial), an organization which rejects the method of the struggle for profit as the economic base for society; which seeks to replace it with social-economic planning in order to develop a society without class distinctions and privileges.

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National Defense and Labor

There is no more important task confronting America than the maintenance of the rights of labor and the living standards of the people. Events of recent months indicate that those who would make the United States "an arsenal of democracy" are not sufficiently aware of the crucial significance of this task.

THE POLICY

When Sidney Hillman was named to represent labor on the Defense Commission, the following statement of policy was unanimously adopted on August 31: "All work carried on as part of the defense program should comply with the federal statutory provisions affecting labor . . . the Walsh-Healey Act, the Fair Labor Standards Act, the National Labor Relations Act, etc." To this guaranty of justice was added the adoption on September 6 of general principles governing the letting of defense contracts, which said: "Adequate consideration must be given to labor. This means compliance with the principles on this subject stated by the commission in its release of August 31."

The New York Times (October 2, 1940) reported that Mr. Hillman made known letters to him by Secretary of the Navy Frank Knox and Assistant Secretary of War Robert P. Patterson, "implementing" the recently adopted policy which the Defense Commission formulated. Secretary Knox's letter declared, "After I received a copy of the statement of principles governing the award of negotiated contracts which was . . . approved by the President on September 12, 1940, I instructed our procurement and supply divisions to be guided thereby in the letting of contracts." Mr. Patterson wrote, "We expect to work out procedure whereby the applicable principles and a statement of labor policies will be incorporated into contracts to be awarded."

A TEST CASE

The Federal Circuit Court of Appeals at Boston ruled, in a unanimous decision on October 8, that the Bethlehem Shipbuilding Corporation, which in July received a navy order for the construction of eight cruisers at an estimated cost of \$170,000,000, was guilty of "a plain violation" of the National Labor Relations Act in refusing to bargain with Local 25 of the Industrial Union of Maritime and Shipbuilding Workers of America. The court found that the corporation's conduct constituted a continuing obstacle to the exercise by employees of their free choice of bargaining representatives. The corporation was or-

dered to disestablish a company union, to enter into negotiation with the CIO union, and to sign a contract at the end of the negotiations. No sooner had this decision been given than Secretary Knox announced on October 9 that the Bethlehem Steel Corporation would build new facilities totaling \$54,509,700 at government expense. This announcement was significant because it gave clear indication that administration officials were willing to ignore decisions of Federal Courts in awarding contracts to companies which fail to comply with the law of the land.

For labor the issue of giving contracts to companies which violate the Wagner Act is of great importance at the present time. Arms appropriations are becoming a tremendously important instrument whereby collective bargaining can be either enforced or broken down. For about three years John L. Lewis has actively pushed various legislative proposals in Congress which would amend the Walsh-Healey Act so as to make compliance with the Wagner Act a condition for getting government contracts. These amendments were passed in the Senate three times, but were always killed in the Rules Committee of the House. Since 1939 Mr. Lewis has been urging the President to issue an Executive Order as the quickest and most effective way of achieving the result sought by the Walsh-Healey Amendments. This he has refused to do.

Mr. Hillman's task of quieting down the insistent demands of the labor movement became increasingly difficult when the shipyard workers at Sparrows Point went out on strike. Though he repeatedly promised that "no contracts would be awarded" to firms which violate the Wagner Act or other labor laws, he was suddenly faced with the situation that the Bethlehem Shipbuilding Corporation was found guilty in a Federal Court, and a large contract was granted almost immediately. In order to placate the many labor organizations and liberal-minded citizens who wrote charging the Commission with abetting violations of the law, Mr. Hillman asked Attorney General Robert Jackson for the definition of a Wagner Act violator. Mr. Jackson replied that a company violated the Act when a Labor Board so ruled, and that this decision was binding unless upset by the courts. This "passing the ball" made for a wastage of time, and for the clouding of the issue, because the central question as to what the government would do after it was established (as in the case of the Bethlehem Shipbuilding Corporation) that a company broke the law was neither asked nor answered. Meanwhile more contracts were let.

THE BACK DOWN

Representative Howard Smith, fearing that Mr. Jackson's opinion might be construed to enable labor to wrest some concessions from the government, called Messrs. Hillman, Jackson, Knox and Patterson to appear before his Congressional Committee. Commenting on this procedure, I. F. Stone, in *The Nation* (October 19, 1940) says, "Mr. Jackson was explaining to the Smith Committee that he had merely been answering a theoretical problem in elementary administrative law. . . . The War and Navy Departments revealed that they had never taken the declaration of labor policy seriously. To Assistant Secretary of War Patterson it was only 'one of a dozen factors or so that are to be taken into consideration by the contracting officers to work out.' . . . The Attorney General was forced to say that it was no concern of his 'if the defense-contracting authorities decide to deal with men who are in violation of the Wagner Act.' Mr. Hillman . . . was asked whether he agreed with Patterson and Knox that nothing in the statement of labor policy, the decision of the Attorney General, 'or any implications that could be drawn from it' prohibits the War or Navy Department from giving defense contracts to firms which are not obeying the Wagner Act. 'I have to agree with whatever they think is their opinion,' Mr. Hillman answered, 'because they have the power to award contracts.'"

The real nature of Mr. Hillman's leadership has become increasingly clear. With Acting Comptroller General Elliott recently ruling that violators of the Wagner Act can be denied contracts entered into by competitive bidding as well as by negotiation (upsetting one reason for the President's inaction in this regard), Mr. Hillman admits that he has refused John L. Lewis' request that he ask the President to issue the Executive Order forcing compliance to labor laws. By "stalling off" labor's demands that contracts be denied to companies guilty of violation on the grounds that the subject is a complicated one and must be studied at length by expert lawyers affiliated with the Commission, it is evident that labor's representative thinks of his responsibility in terms of insuring the government adequate labor supply, and freedom from interruption in defense work. That is why he has never as much as asked the Justice, War, and Navy Departments to do anything in terms of penalizing law-breakers. While subterfuge has characterized Mr. Hillman's relationships, William S. Knudsen, chief of the National Defense Advisory Commission, says that "the Defense Commission has no authority and does not want to undertake the job of enforcing labor laws" (*New York Times*, October 9, 1940). Pretense and promises have been dropped. There is no longer any need of them.

Within recent months the Administration has been taking an increasingly strong anti-labor stand.

The day after the election the Ford Motor Company was given a contract for 3,000 Pratt and Whitney airplane engines. On November 27 a contract was given to the same company for light five-passenger cars and trucks, both of which could have been purchased elsewhere from companies obeying the Wagner Act. The climax of this movement to the right is revealed in the President's signing, on December 2, a sweeping anti-sabotage bill introduced by Representative Hatton Sumners. The bill provides a fine of \$10,000, or five years' imprisonment or both for anyone found guilty of wilful injury or destruc-

tion of national defense materials or premises. Sabotage is defined so broadly that it could easily be made to cover striking against certain employers under certain conditions. The reversal in policy is gaining accelerated speed. The President has just announced that the emergency need for production has priority over the issue of law-breaking by employers.

WHY THE REVERSAL?

The election was a prime factor in the back down. The plea for "unity" and "sacrifice," together with the assurance of law enforcement, was calculated to win the labor and liberal vote, while the persistence of anti-union practices was designed to appeal to business interests. That this was so is evident from the fact that immediately following the election new, and in some instances additional, contracts were given to companies violating the Wagner Act.

The newspapers also played a part in bringing about the back down. Seldom have they staged a more effective campaign of misrepresentation. The interpretation of Attorney General Jackson's ruling was malicious and provocative in the extreme.

Big business in America has exerted tremendous pressure in accelerating the back down over labor legislation. This pressure was most evident after the last war, but it is apparent already in our relation to this war. The aviation industry's refusal to accept new government contracts until provisions concerning profits were altered (even though aircraft companies showed aggregate profits 129.8 per cent. above the corresponding period of last year and the eight major companies have no funded debt), Paul G. Hoffman's cry, reiterated by Alfred P. Sloane, Charles F. Kettering and William S. Knudsen, that "we are Americans first and labor leaders second," and the steel industry's concern for priorities and for the passage of the Logan-Walter Act have had telling effect.

Not only is the right of collective bargaining threatened by these developments, but labor standards are in danger. Employers want a longer work week, greater speed-up, lower earnings for labor through the elimination of overtime pay and prevention of higher wage rates, decreased consumption effected through higher prices, new sales taxes, and income taxes on low incomes. This is desired so that corporations will be able to maintain high profit rates and make bigger earnings from war orders. In addition to business leaders the National Industrial Conference Board and the Brookings Institution have added their support to these measures. The National Association of Manufacturers continues the offensive by advocating that labor surrender the closed shop, give up systems of seniority rights and accept any plan of stretch-out a company may decide is best suited to "defense" production.

WAGES AND HOURS

On October 24 the 40-hour week became operative in industries affecting inter-state commerce, under the provisions of the Fair Labor Standards Act of 1938. This is the final reduction in the work week provided by the Act, and the Wage and Hour division estimates that some 2,000,000 workers who previously worked in excess of 40 hours a week thus became entitled to overtime pay at the rate of one-time and one-half for these extra hours. But while the statutory provisions of the Act improved

the lot of certain workers, the interpretations and definitions of Wage and Hour Administrator Col. Philip B. Fleming deprived some 200,000 to 300,000 other workers of maximum protection of the law. For on the same date, through a redefinition of "administrative" and "executive" workers, driver-salesmen, advertising solicitors, freight solicitors, bank tellers, certain retail employees, supervisors of machine tools, safety directors, claim agents, photographers, musicians, painters, draftsmen, and engineers were denied overtime pay for hours in excess of 40 per week. That this represents a real benefit for employers is indicated by a letter of the Bureau of National Affairs, Inc., urging subscription to its "Wage and Hour Reporter." It states, "By definition and also on a flat salary basis, substantially wider latitude is accorded management as regards these employees. Inform yourself on these exemptions. Take advantage of them. They represent real savings."

Weakening of the Act by interpretation and widespread exemptions is the new method employed since opposition of organized labor and progressive forces blocked the vigorous drive of anti-labor forces to secure crippling amendments to the Act in Congress. Colonel Fleming has received protests against lack of enforcement of the Act. He has answered that it is due to lack of funds. Yet after labor successfully fought for an increased appropriation for the Wage and Hour Administration in the last session of Congress, Colonel Fleming is reported to have returned \$387,000 as unexpended, an amount which would have provided 140 additional investigators. Representative Connery, attacking the administration of the Act in Congress, declared: "Almost daily the wage and hour division issues a release exempting additional thousands from one or another provision of the Act." He stated that leaders of organized labor had been refused opportunity to discuss "the effect of this emasculation of the original intent and purpose of the ... Act."

CONSEQUENCES

The President has promised to uphold a "standard of living worth defending." With that in mind the members of Local 683 of the United Automobile Workers, CIO, in the Vultee Aircraft Corporation, Downey, California, went on strike. They asked a minimum wage of 75 cents an hour instead of the 50 cents now being paid. It was not difficult to reach an agreement on a compromise minimum wage, but the union was unwilling to accept a two-year no-strike clause in a period of rising prices, particularly since the management offered no system of arbitration during the two-year period. The break came when the union accepted a virtual no-strike clause in a sixteen-month contract. The clause provides that labor matters be presented weekly to the management by a five-man grievance committee. If the two parties are unable to negotiate on differences, the disagreement goes to an arbitration board made up of two union and two company men and a fifth man mutually agreeable.

The strike was significant because of the reactions it provoked and the indications it gave that "no strike" legislation will receive much attention from the present session of Congress. When negotiations were deadlocked Attorney General Jackson made a statement blaming the Vultee strike on Communist influence. More than half

the workers at Vultee have been averaging less than \$20 a week, as compared with \$25 to \$30 a week for similar work in the automobile industry. One need not be a Communist to resent a wage of \$20 a week. Mr. Jackson's statement had the effect of aiding the employer and increasing the ill-feeling of the workers. It also caused Congressmen like Cox and Costello to cry "treason" over the Vultee strike, and like Smith to say that the moral is to get rid of the Wagner Act. Men who believe that strikes in arms plants should not be "tolerated for one split second" are on a Congressional Sub-committee to work out legislative proposals for curbing strikes and union organization. Among the proposals being studied are the Smith Bill, which would subject strikers to life imprisonment and impose compulsory arbitration on unions, and the letter President Wilson wrote to the strikers at the Remington Arms plant at Bridgeport during the World War threatening to draft them unless they went back to work. A concerted and well-organized fight for anti-union and anti-strike legislation is expected in the immediate future.

Faced with resolute union opposition to strike prohibition, the Roosevelt Administration is using the threat as a club to force "voluntary" acceptance of what would amount to compulsory arbitration. Labor cannot afford to take any no-strike proposals, direct or indirect, unless they are accompanied with a real guarantee on wages, hours and share in control. Action which, under the pretense of furthering national defense, seeks to deprive workers of their fair share of increased earnings or to deny them their fundamental right to organize into unions of their own choice, or to strike, must be vigorously opposed. As John L. Lewis said when he addressed the CIO convention in Atlantic City in November, "The proportion of all income which goes to wages must increase, the cost of living must be protected by the maintenance of a stable and reasonable price structure, profits must be kept down to a reasonable level, the national tax structure must be revised, and a further expansion in purchasing power must be made available under the Social Security program and to the unemployed."

Philip Murray, chairman-elect of the CIO, says that his organization will aggressively continue to organize the unorganized, and to consolidate the gains already made. The next step will be the organization of the aviation industry. Speaking for the body he represents, he declares, "We will not confine ourselves to criticism alone, but will be prepared to offer constructive proposals for every phase of the 'defense program' that we criticize, and will base both our complaints and proposals on facts." (*The Nation*, December 21, 1940.)

WHAT CAN PREACHERS DO?

Preachers can make it clear that the lowering of the standard of living and the loss of fundamental labor rights mean the "tearing down of our first line of defense." They can present and interpret the facts about repressive legislation and the stand of representative labor bodies. They can voice the strongest possible opposition to measures which violate, and give the strongest possible support to those which embody, the rights of labor set forth in utterances of their denominations and of the Federal Council of Churches. Thus the cause of freedom, democracy, and Christianity in America will go forward.

—REV. JULE AYERS.

News from the Field

Connecticut Federation members met January 9th at New Haven, "to form a State organization to push progressive legislation." Speakers—Rev. Loyd F. Worley, pastor of the Stamford, Conn., Methodist Church, and Charles Webber.

During January and February Charles Webber will address the Labor Temple Forum, New York City; the Y.W.C.A. Industrial Secretaries' Eastern Regional group; the New England Conference Federation Unit, Boston; the Birdsboro, Pa., Social Action group and Bennett College, Greensboro, N. C.

The Illinois Conference Federation Unit is setting up a February one-day conference, in cooperation with the Conference Credit Union, "in the interest of more democratic and Christian business methods." Write to the president, Rev. Clifford P. Bruner, Bluffs, Ill., for details regarding date and place.

The Detroit Conference Social Action group—"a voluntary organization open to those interested in facing social issues from the Christian point of view"—at its recent meeting in Flint, Mich., elected Rev. Wilbur Grose of Saginaw president. Write to him for program suggestions.

The Colorado Conference Federation Unit's president, Rev. K. H. Sausaman, of Rocky Ford, obtained twelve memberships within ten days as a result of the following letter which he wrote to all of the Annual Conference members: "In an hour when the voices of liberalism are being hushed even in our own nation, will you . . . take the enclosed Federation Statement of Purpose, tear off the membership blank, check the one you desire, . . . and mail it TODAY?"

"Even though you may not agree with all the pronouncements of the Federation, surely you are interested in having its voice challenge us to think along the avenues of its philosophy of religion and life."

Order Now

"The Soviet Power," latest book by the Dean of Canterbury (Hewlett Johnson). Modern Age, New York City. Price \$2.50.

Dr. Harry F. Ward writes: "The Dean has given us the first general survey and evaluation of the Soviet Union since the Webbs'. . . It is my judgment that this book is the most successful in catching and conveying the spirit of the people of the Soviet Union."

The paper cover edition can be secured through the Federation office by sending 35c for one copy or \$1.00 for three.

"Why We Refused to Register"—A pamphlet stating the cases of some of the non-registrants to the Selective Service Act. (It includes the case of George Houser, a youth member of the Federation.) Youth Committee Against War, 22 E. 17th St., New York City. Price 5c.

Federal Council and Labor

The Federal Council of Churches at its December, 1940, meeting adopted the following resolution:

"Whereas, the churches, in the statement of 'The Social Ideals' have stood for 'the right of employes and employers alike to organize for collective bargaining'; and

"Whereas, there is special reason for solicitude for the maintenance of this principle at this time of pre-occupation with national defense,

"Resolved: that the Federal Council record its conviction that not only has labor a right to organize, but also that it is socially desirable that it do so, because of the need for collective action in the maintenance of standards of living. . . ."

Mail Bag

International President Brotherhood of Sleeping Car Porters: "I hope that all of the services of the Federation may be continued. . . . I shall be glad to give my mite from time to time."

A Methodist Y.W.C.A. Secretary who attended the U.C.C.D. Conference: "I want you to know how de-

lighted I was to find that the churches had these organizations (like the M.F.S.S.) which can do so much to make Christianity real. It gives me an entirely different feeling about organized Christianity and a hope that an organization like my own can work along with the church.

"Dr. Ward made a profound impression on me—not only in what he said, but in his unswerving devotion to the task of building a just society."

A Maryland Trade Unionist: "I wish to say that I approve your program with all my heart. . . . It is impossible to express to you just how much good I really get from your BULLETINS. Under no consideration would I want to miss a single copy."

An Oklahoma Minister: "If ever the Federation is needed, this is the day. To me it is a sort of a Voice in the Wilderness. Maybe a better figure descriptive of the Federation work would be a Gadfly, stinging a lazy, indolent, and selfish people into some sort of action."

A Professor's Wife: "I am glad to contribute the \$10 again. It buys so much in the M.F.S.S."

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